

**SULTAN PLANNING BOARD
AGENDA COVER SHEET**

ITEM NO: D-3
DATE: March 16, 2010
SUBJECT: Lot Averaging Provision; Alternatives Analysis
CONTACT PERSON: Robert Martin, Community Development Director



ISSUE:
Review of alternative approaches to calculation of Lot Averaging.

STAFF RECOMMENDATION:

Staff recommends that the Board review the attached alternative approaches to calculating Lot Averaging Credits for Critical Areas. Policy questions and outcomes are provided to assist the Board's discussion and decision process.

BACKGROUND:

At the February 16, 2010 meeting, the Board reviewed several Lot Averaging provisions from various jurisdictions and agencies.

The Board directed Staff to proceed with construction of a lot averaging Code draft. The draft language was reviewed at the March 2nd meeting. The Board directed Staff to prepare alternatives for calculation of Lot Averaging Credits to be reviewed at this meeting.

Attachment A is the requested presentation of alternatives and outcomes for Board consideration and further direction.

The Board also asked for assistance in visualizing development on smaller lots of the size that might result from implementation of Lot Averaging. Prior to this meeting, Staff provided locations in the Community that the Board could visit to see such development. **Attachment B** presents portions of plat documents for developments that are of interest in this discussion.

The Board's discussion will benefit greatly from having the Staff report on Lot Averaging from the March 2nd meeting in-hand for this meeting as well.

Attachment C is the same draft of the Lot Averaging Code that was included in the March 2nd Agenda Packet.

Attachment D provides the Comprehensive Plan Map "Figure 4 – Future Residential Land Use w/ City Critical Areas". This is an approximate depiction of the Wetlands and Steep/Slope Critical Areas in the Community. The prevalence of these areas indicates that Sultan is a prime candidate for a Lot Averaging Code.

DISCUSSION:

This Agenda Cover Sheet includes **Attachment A** which presents three options for calculation of Lot Averaging. The calculations are all run on the same hypothetical property consisting of 80-acres with 20-acres of undevelopable Critical Areas **Attachment E**.

The summary sheet presents the outcomes of the three approaches. The following sheets present the calculations for each approach. One of these approaches, or another variation as devised by the Board would be included in the text of the Lot Averaging Code so that it is clear how the calculation is to be run. This is important to avoid confusion between Developers and City Staff regarding implementation of Code provisions.

Policy Considerations:

Regarding the draft text of the Lot Averaging Code (**Attachment C**), the Board can review and consider options for the variables in the attached draft Code. The main variables are as follows:

1. The percentage of allowed reduction. It can be a different percentage than 30% that applies to all Zones, or it can be different percentages in different Zones.
2. Lot width and depth. 70-foot minimum depth and 40-foot minimum width are common in City Codes, but they can be different for different Zones.
3. Storm Water and Road exclusions can be viewed from different perspectives.
4. Minimum property size can be changed to different values in different Zones.

Regarding the variations for calculating Lot Averaging credits (**Attachment A**) the Board needs to address the following options and outcomes:

1. What level of "credit" is appropriate for the Lot Averaging Code? Option 1 shows the calculations with no credit. Option 2 shows the calculation with full credit. Option 3 shows the calculation with reduced credit, the reduction being equal to 10% of the total land area.
2. Recognize and address the balance between smaller lots/developer economic/City Policies regarding development density and sprawl.
 - a. Smaller Lot Averaging credits result in larger lots and reduce the number of housing units that can be accommodated in the City.
 - b. Larger Lot Averaging credits result in smaller lots and increase the number of housing units that can be accommodated in the City.

Selected Comprehensive Plan Policies that apply to this concept are as follows:

- 2.3 Environment Element, starting on Pg. 32
 - Land Management Policies
 - Policy 1: Best-to-least capability allocation policies
 - Policy 2: Performance Criteria
 - Policy 3: Sensitive Lands Review Ordinance
 - Urban Use Operating Standards
 - Policy 4: Stormwater Development Standards
 - Policy 11: Conserve the steep bluffs as wooded natural areas
- 2.4 Housing Element, starting on Pg. 45
 - Manage Growth Potentials
 - Policy 1: Growth Management Priorities
 - Housing – Design Concepts
 - Policy 1: Allow smaller single-family lot sizes
 - Policy 2: Cluster Housing Developments
 - Housing - Locations
 - Policy 2: Develop moderate to higher density housing product types on the edge of the plateau bordering the proposed new commercial and employment areas.

- 2.5 Land Use Element starting on Pg. 50
 - Create an effective Land Use Management process
 - Policy 5: Environmental Zoning designation

NEXT STEPS:

1. Board review of this report.
2. Board direction to Staff on policy questions needing clarification, or policy directions that the Board would like to explore.
3. Staff construction of response to Board direction.
4. Board review, final input, and set Public Hearing.
5. Conduct Public Hearing
6. Make modifications as appropriate
7. Make recommendation to City Council in tandem with final recommendation on PUD Code.

STAFF RECOMMENDATION:

Staff recommends that the Board review the attached alternative approaches to calculating Lot Averaging Credits for Critical Areas. Policy questions and outcomes are provided to assist the Board's discussion and decision process.

ATTACHMENTS:

Attachment A: Analysis of Lot Averaging Calculation Alternatives

Attachment B: Maps of Selected Developments

Attachment C: Staff Draft of Lot Averaging Code (as presented at March 2nd meeting)

Attachment D: Comprehensive Plan Map "Figure 4 –
Future Residential Land Use w/City Critical Areas"

Attachment E: Site Plan 80-Acre Parcel

Board Action:

Staff Action:

AGENDA ITEM D-3
ATTACHMENT - A

Lot Averaging Calculations
Three Options Compared

SUMMARY OF ANALYSIS;

The scenario for all Options is as follows:

- 80-acre Total Parcel
- 20-acres of Wetlands/Critical Areas Not Buildable
- 20-acres for Roads
- 1.2-acres for Storm Drainage Facility
- 5,000 sq.ft. minimum Lot Size (High Density Zone)

Options are as follows:

- Option 1: Parcel developed at prescribed minimum Lot Size (5,000 sq.ft) without any Lot Averaging Provision.
- Option 2: Parcel developed with Lot Averaging Provision applied to all excluded Critical Areas (20-acres).
- Option 3: Parcel developed with Lot Averaging Provision that excludes Critical Areas from the Lot Averaging Calculation. Excluded Critical Area is the amount of Critical Areas equal to 10% of the total area of the property.

Summary of three Options as applied to Standard Scenario:

- Option 1:
 - Lot Size Achieved; 5,000 sq.ft.
 - Number Lots Achieved; 312
- Option 2:
 - Lot Size Achieved; 3,500 sq.ft.
 - Number Lots Achieved; 482
- Option 3:
 - Lot Size Achieved; 3,823 sq.ft.
 - Number Lots Achieved; 442

Option 1:
Development at 5,000 sq.ft. lots with no Lot Averaging Provision.

1. The following factors are used in the calculation:

(TLA) Total Land Area of subject Development Property
(ROW) Public R-O-W or Private Access Easement
(SDF) Storm Water Detention Facilities
(TW) Total Wetlands
(NDA) Net Developable Area
(MLS) Minimum Lot Size required in applicable Zone
(MPL) Maximum Number of Potential Lots
(RAMPL) Required Area for Maximum Potential Lots
(NAL) Net Achievable Lots

2. Calculation of potential lots is as follows:

TLA = 80-acres
ROW = 20-acres
SDF = 1.2-acres
TW = 20-acres
NDA = TLA – (ROW + SDF+ TW) = 38.8-acres
MLS = 5,000 sq.ft.
NPL = NDA ÷ MLS = 512-potential lots

3. Calculation of actual lots is as follows:

MPL = 512
MLS = 5,000 sq.ft.
RAMPL = NPL x MLS = 2,560,000 sq.ft. (58.8-acres)
NDA = 1,690,000 sq.ft.(38.8-acres)
NAL = NDA ÷ MLS = 338-lots
Difference = 174-excess lots and a deficiency of 20-acres

4. Discussion:

Without Lot Averaging, the calculated number of potential lots exceeds the net developable area by 20-acres, which is exactly what would be expected since there is no allowance for the 20-acres of wetlands. The 80-acre parcel provides developable area for 338-lots instead of 512-lots. 512-lots is what the property would accommodate under the scenario if 20-acres of wetlands were not excluded.

The concept of Lot Averaging is to come to a lot count somewhere between 338 and 512. This makes the project more economically viable for the Developer and gets the City closer to its population projection without having to increase its Urban Growth Area and pay the cost of extending utilities.

**Option 2:
Development with Full Credit for Lot Averaging.**

1. The following factors are used in the calculation
 - (TLA) Total Land Area of subject Development Property
 - (ROW) Public R-O-W or Private Access Easement
 - (SDF) StWater Detention Facilities
 - (TW) Total Wetlands
 - (CDA) Credited Developable Area
 - (NDA) Net Developable Area
 - (MLS) Minimum Lot Size required in Applicable Zone
 - (CDA) Credited Development Area
 - (TML) Theoretical Maximum Lots
 - (TMLS) Theoretical Minimum Lot Size
 - (AMLS) Allowed Minimum Lot Size
 - (APL) Actual Potential Lots

2. Calculation of Theoretical Maximum Lots is as follows:

TLA = 80-acres
ROW = 20-acres
SDF = 1.2-acres
CDA = TLA – (ROW + SDF) = 58.8-acres
MLS = 5,000 sq.ft.
TML = TDA ÷ MLS = 512-Theoretical Lots

3. Calculation of Net Developable Area is as follows:

TLA = 80-acres
ROW = 20-acres
SDF = 1.2-acres
TW = 20-acres
NDA = TLA – (ROW + SDF + TW) = 38.8-acres

4. Calculation of Theoretical Minimum Lot Size is as follows:

TMLS = NDA ÷ TML = 3,301 sq.ft. per lot.

The minimum lot size limiter set by the proposed Code is 3,500 sq.ft. Therefore the Theoretical Maximum Number of Lots (TML) cannot be achieved on this parcel because 512-lots would require a minimum lot size of 3,301 sq.ft. If the variables in the equation were different and the TMLS was greater than 3,500 sq.ft. then the TMLS could be the allowed lot size and calculation 5-below would not be necessary.

5. Calculation of Actual Potential Lots (APL) is as follows:

APL = NDA ÷ MLS = 482 lots

6. Discussion:

This Development Scenario was limited by the minimum lot size of 3,500 sq.ft. With a Developable Area of 38.8-acres, the project needs to reduce from 512-Potential Lots (NPL) to 482-Actual Number of Lots (ANL). This results in a reduction of 29-lots to achieve the minimum lot size of 3,500 sq.ft.

**Option 3:
Development with Credit for Lot Averaging after exclusion
of Critical Areas equal to 10% of the Total Parcel.**

1. The following factors are used in the calculation:

(TLA) Total Land Area of subject Development Property
(ROW) Public R-O-W or Private Access Easement
(SDF) Storm Water Detention Facilities
(TW) Total Wetlands
(WE-10) Wetland Exclusion of 10% applicable to all projects
(WALA) Wetlands Allowed for Lot Averaging
(GDA) Gross Developable Area
(NDA) Net Developable Area
(MLS) Minimum Lot Size required in Applicable Zone
(MPL) Maximum Number of Potential Lots
(NNDA) Net Net Developable Area
(NPL) Net Number of Potential Lots
(NNPL) Net Net Number of Potential Lots
(NMLS) Net Minimum Lot Size

2. Calculation of excluded Wetlands and allowable Wetlands is as follows:

TLA = 80-acres
WE - 10 = TLA x 10% = 8-acres excluded from calculation
TW = 20-acres
WALA = TW - WE-10 = 12-acres

3. Calculation of Net Developable Area is as follows:

GDA = TLA - WE-10 = 72 acres
ROW = 20
SDF = 1.2-acres
NDA = GDA - (ROW + SDF) = 50.8-acres

4. Calculation of actual lots is as follows:

NDA = 50.8
MLS = 5,000 sq.ft.
MPL = NDA ÷ MLS = 442-lots
WALA = 12-acres
NNDA = NDA - WALA = 38.8-acres
NMLS = NNDA ÷ MPL = 3,823 sq.ft. per lot

5. Discussion:

This approach excludes a portion of the Critical Areas equal to 10% of the Total Land Area. The calculation is more complex, but it results in a lot size and a number of lots that falls between Options 1 & 2.

Chapter 16.14 LOT AVERAGING

Sections:

16.14.010	Purpose of Lot Averaging Provisions
16.14.020	Applicability of Lot Averaging
16.14.030	Limitations on Implementation of Lot Averaging
16.14.040	Lot Averaging Calculation
16.14.050	Development Standards in Lot Averaging Subdivisions

16.14.010 Purpose of Lot Averaging Provisions

- A. Much of the land designated by the Sultan Comprehensive Plan for Residential Development is not developable because of extensive wetlands and steep slopes that are protected by Critical Area Regulations. Exclusion of these critical areas results in a Net Developable Area that allows considerably fewer residential units than would be allowed if the entire property could be developed at standard Zoning Densities.
- B. Previously the City accommodated this circumstance by using the Planned Unit Development (PUD) process. The City finds that that the PUD process was not an appropriate answer to the situation and that in many cases, the critical areas protection and the residential development that resulted from PUD development did not achieve desirable results.
- C. The City finds that Lot Averaging is the appropriate answer to this circumstance.
- D. Lot Averaging is an approach to subdividing land that allows a parcel to be divided such that some or all of the resulting lots are smaller than the minimum lot size required in the applicable zone to accommodate the presence of extensive wetlands and critical areas.
- E. Lot Averaging cannot result in a parcel being divided into a greater number of lots than would result from subdivision at the normal minimum lot size required in the applicable Zone. The total number of lots in a subdivision implementing lot averaging cannot exceed the maximum number of lots allowed on the subject property by the applicable Zone.
- F. Lot Averaging does not assure that the number of lots available to a Developer on a particular parcel will be the same as the number available if the property were not encumbered by critical area exclusions. It is provided as a mechanism to achieve full compliance with all Critical Area Regulations while allowing a "safety valve" to allow development densities to get closer to the allowed zoned density on properties that have significant critical areas exclusions.

16.14.020 Applicability of Lot Averaging

- A. Lot Averaging provisions of this Chapter apply to and may be used by Developers of land in the following Zones:
 - 1. Low/Moderate Density; LMD: (16.12.010)
 - 2. Moderate Density; MD: (16.12.020)
 - 3. High Density; HD: (16.12.030)

- B. Lot Averaging may be utilized, at the option of the Developer, in the following circumstances:
 - 1. The property proposed for development is documented, by scientists qualified to address the particular environmental conditions involved, to contain not less than 20% of its total land area in critical areas that must be excluded from development under provisions of the City of Sultan Critical Areas Regulations (SMC 16.80) and any other applicable environmental codes.
 - 2. The property proposed for development shall not be a portion of the developer's property that is configured in a way that artificially creates a 20% or greater portion of critical areas so that the development can qualify for Lot Averaging.
 - 3. The City will make an Administrative Determination that disallows application for Lot Averaging in cases where the Staff can make findings that the proposed development boundary has been artificially manipulated to create a development that purports to qualify for Lot Averaging. This Administrative Determination will be appealable to the Hearing Examiner under provisions of SMC 2.26 and other applicable provisions.

16.14.030 Limitations on Implementation of Lot Averaging

- A. Lot Averaging only applies to creation of lots for detached single-family residences.
- B. Lot Averaging shall not be used to create lots for duplexes or multi-family dwellings.
- C. No single-family lot shall be reduced to less than 70% of the minimum single-family lot size required in the applicable Zone.
- D. No single family lot shall be reduced in width to less than 40-feet.
- E. No single family lot shall be reduced in depth to less than 70-feet.
- F. All of the following are deleted from the Net Square Footage of a lot for the purpose of determining the area of a lot proposed for Lot Averaging;
 - 4. Public Right-of-Way
 - 5. Private roads, private primary access easement.
 - 6. Minor portion (panhandle) of panhandle lots.
 - 7. Front (between dwelling and street or easement access) portion of a tapered or triangular-shaped lot that is less than 40-feet in width.
- G. The area of easements other than that of the primary access (public right-of-way or private easement) shall not be subtracted from the Net Square Footage of a lot.
- H. This Section shall not be implemented in conjunction with any provisions of this Code that allow density credits for set-asides of critical areas or environmentally sensitive areas.
- I. This Section shall not be applied to properties of less than 2-acres.
- J. Subdivisions utilizing Lot Averaging shall not receive Preliminary or Final Approval as phased developments unless each phase meets the Lot Averaging standards for the Total Land Area included in that phase.

16.14.040 Lot Averaging Calculation

- A The following calculation shall be used to determine the maximum number of lots available on a given property:
1. The following factors are used in the calculation
 - a. Total Land Area of subject development property (TLA)
 - b. Minimum Lot Size required in applicable zone (MLS)
 - c. Public R-O-W or Private Access Easement (ROW)
 - d. Storm Water Detention Facilities (SDF)
 - e. Net Developable Area (NDA)
 - f. Net Number of Potential Lots (NPL)
 2. The following equations determine the maximum number of lots available on a parcel proposed for lot averaging:

- a. $TLA - (ROW + SDF) = NDA$
- b. $NDA \div MLS = NPL$

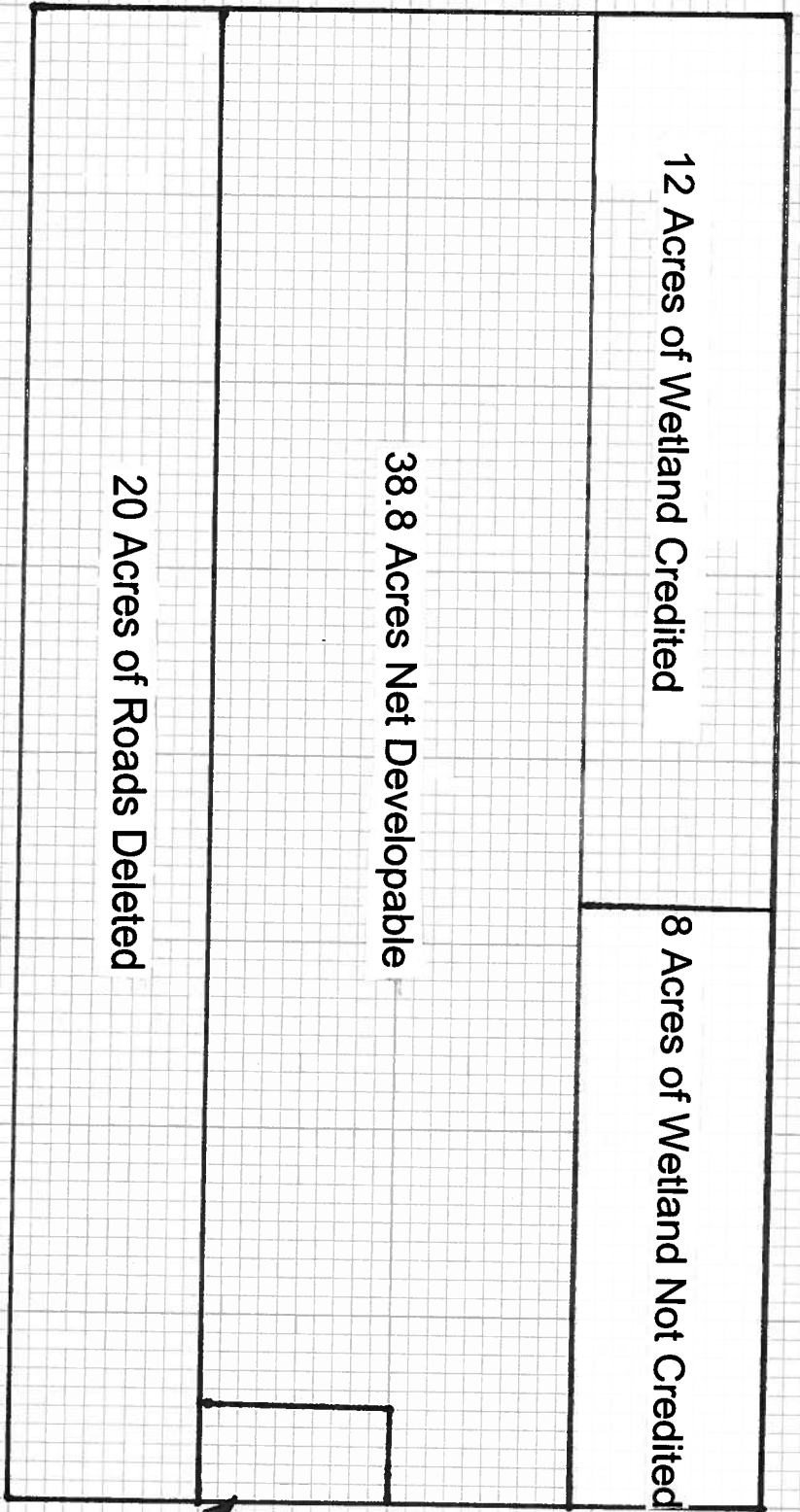
- B. The Lot Averaging calculation determines the maximum number of lots available. No development is guaranteed the maximum number of lots available by this calculation. The actual number of lots shall not exceed but may be fewer than the Net Lots Available (NLA) due to circumstances of the particular property. Properties with extensive critical area exclusions will not be able to achieve the density provided by the allowed minimum lot size in the applicable Zone as the lot size required to meet the Zoned Density would be smaller than the 70% reduction provided by this Chapter.

16.14.050 Development Standards in Lot Averaging Subdivisions

- A. Park facilities required for subdivisions by the Sultan Municipal Code in general, and specifically SMC Chapter 16.72, are required in developments without regard to their implementation of Lot Averaging Standards of this Chapter.
- B. Road standards required for development of subdivisions by the Sultan Municipal Code in general and specifically SMC Chapter 16.28.230, are required in developments without regard to their implementation of Lot Averaging Standards of this Chapter.
- C. All standard Utility requirements for subdivisions by the Sultan Municipal Code in general and SMC Chapter 16.28 are required in developments without regard to their implementation of Lot Averaging Standards of this Chapter.
- D. All standards for lot layout, setbacks, access, easements, and any other development standard for individual lots required for subdivisions by the Sultan Municipal Code in general and specifically SMC Chapter 16.28, are required in developments without regard to their implementation of Lot Averaging Standards of this Chapter.
- E. Modification of specific Development Standards as provided by SMC Chapter 16.28.240 may be applied for and reviewed by the Hearing Examiner, but the fact that the development is proposing to implement Lot Averaging may not be used as a criteria or defense for proposing the modification.

- F. The Hearing Examiner shall not modify the average density provisions of this Chapter and shall not modify the minimum lot size reduction authorized by this Chapter below the standard of a 70% reduction provided in 16.14.030 C. above.

DIAGRAM OF HYPOTHETICAL 80-ACRE PARCEL WITH 20 ACRES OF WETLANDS.



Showing relative areas described in Option 3 with exclusion of 8 acres of wetland from Lot Averaging credit. This puts 50.8 acres worth of lots on 38.8 acres of land.